

VZCZCXRO2978
PP RUEHROV
DE RUEHEG #2027/01 2591307
ZNY CCCCC ZZB CCY
P 151307Z SEP 08
FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC PRIORITY 0475
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY
RUEHRO/AMEMBASSY ROME PRIORITY 1617
RUEAWJA/DEPT OF JUSTICE WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 CAIRO 002027

C O R R E C T E D COPY - DMS addressee corrected

SIPDIS

STATE FOR NEA/ELA, NEA/RA, INL
TREASURY FOR MORAVEC AND PARODI
COMMERCE FOR 4520/ITA/ANESA

E.O. 12958: DECL: 09/14/2118
TAGS: [ECON](#) [KCRM](#) [PGOV](#) [EINV](#) [EG](#)
SUBJECT: EGYPTIAN TYCOONS' CRIMINAL CASES ADD TO DISTRUST OF PRIVATE SECTOR

REF: A. CAIRO 1973 B. CAIRO 621 C. CAIRO 1932
CAIRO 00002027 001.2 OF 003

Classified by Minister-Counselor for Economic and Political Affairs William R. Stewart for reason 1.4 (d).

¶1. (C) Summary: Some of Egypt's leading captains of industry are under investigation in a range of criminal cases from relatively routine susp

Talaat Mustafa

¶2. (C) Egyptians who typically spend Ramadan nights swooning over television serials are now spending their iftars, sohours, and intervening c

¶3. (SBU) Early press coverage of Mustafa's September 2 arrest focused on his ties to the Mubarak regime and the 16-percent dip in the Cairo st

¶4. (SBU) However, it was a bad week for a government insider to try to burnish his image. Following the September 6 El-Muqattam landslide ontc

Bribery and price-fixing

¶5. (U) While other recent criminal cases and investigations against influential businessmen are far less dramatic than Mustafa's case, they ha

¶6. XXXXXXXXXXXX. XXXXXXXXXXXX

¶7. XXXXXXXXXXXX

Economic reform stalled

¶8. (C) The various allegations come at a time when momentum is waning on economic reform. Even as the World Bank once again named Egypt one of

¶9. (C) Also, XXXXXXXXXXXX said, the inclusion of business people on the cabinet has resulted in conflicts of interest, noting that Housing Mir

Comment

¶10. (C) Although it is unreasonable to conflate murder-for-hire charges, price-fixing convictions, the acquittal in the ferry case and relativ

¶11.(C) XXXXXXXXXXXX. And the fact is that Mustafa was arrested and will be tried for murder. While these developments might not convince averag

SCOBEDY